

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2565 – HB 2703

March 23, 2010

SUMMARY OF AMENDMENT (015809): Deletes the language of the original bill. Authorizes municipal legislative bodies to approve the acquisition of a public facility that has been acquired, improved, or constructed by a third party and to issue revenue bonds to finance the costs of acquiring such public facility.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – Exceeds \$100,000/Permissive
Increase Local Expenditures – Exceeds \$200,000/Permissive/FY10-11
Exceeds \$100,000/Permissive/FY11-12
and Subsequent Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Based on information provided by Comptroller of the Treasury, municipalities will purchase infrastructure built by a developer at a one-time cost exceeding \$100,000. Municipalities will also incur a recurring increase in expenditures that exceed \$100,000 due to debt service on revenue bonds used to purchase the public facility beginning in FY10-11.
- Based on information provided by Comptroller of the Treasury, municipalities will receive increased revenue from the special property assessment that will be made on the public facility property that exceeds \$100,000.
- An unknown number of municipalities will utilize this legislation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

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/agl